

State of Michigan
Jennifer M. Granholm, Governor

Department of Environmental Quality



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INTERNET: <http://www.michigan.gov/deq>

**State Revolving Fund
Strategic Water Quality Initiatives Fund
Final Intended Use Plan - Fiscal Year 2009**

Prepared by:
Revolving Loan and Certification Operation Section
Environmental Science and Services Division
October 2008

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SRF SWQIF SRF SWQIF SRF SWQIF

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SRF Final Project Priority List for Fiscal Year 2009
Fundable SRF Projects by Category for Fiscal Year 2009
SWQIF Final Project Priority List for Fiscal Year 2009
Key to Project Priority List Headings for SRF and SWQIF
NPS Final Project Priority List for Fiscal Year 2009
NPS PPL Scoring Detail

I. **INTRODUCTION**

The state of Michigan provides a low-interest loan financing program to assist qualified local municipalities with the construction of needed water pollution control facilities. Michigan's fund is officially known as the Water Pollution Control Revolving Fund. Since its inception in 1989, however, the fund has more commonly been referred to as the **State Revolving Fund**, or **SRF**. This is an important distinction to be made because Michigan also offers similar financing programs: the **Drinking Water Revolving Fund** or **DWRF**, for drinking water projects, and the **Strategic Water Quality Initiatives Fund** or **SWQIF**, for water pollution control projects that are not in public ownership.

While these three programs run on parallel tracks, there are some differences in their requirements. It is important that interested parties work with the Department of Environmental Quality (DEQ) staff to increase their knowledge of these differences. This Intended Use Plan (IUP) will focus on the SRF and SWQIF.

Michigan's SRF program is used by local municipalities to finance construction of their water pollution control projects. These projects may include wastewater treatment plant upgrades or expansions, combined or sanitary sewer overflow abatement, new sewers designed to reduce existing sources of pollution, and other publicly owned wastewater treatment efforts. The SRF can also fund projects to reduce nonpoint sources of water pollution (NPS). The SWQIF program is used by municipalities to finance two types of projects: (1) the on site upgrade/replacement of septic systems, and (2) the removal of ground water or storm water from sewer leads. Qualified municipalities must meet the federal and/or state requirements for either program, as well as demonstrate their ability to publicly finance their project.

The SRF and the SWQIF are state-managed programs. This Fiscal Year (FY) 2009 IUP describes how the DEQ and the Michigan Municipal Bond Authority (Authority) will jointly administer the SRF and SWQIF during the upcoming fiscal year. The Revolving Loan and Operator Certification Section (RLOCS) of the Environmental Science and Services Division (ESSD) is charged with carrying out the program administration responsibilities for the SRF and the SWQIF. The staff of the Authority will handle financial administration of both programs.

The administrative contacts for the SRF and the SWQIF are as follows:

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The United States Environmental Protection Agency (EPA) continues to offer guidance and annual program oversight reviews that strengthen the management of the SRF and help to ensure consistent application of federal requirements. The SWQIF is a state funded program that has requirements similar to the SRF.

II. STRUCTURE OF THE SRF

From 1989 through 1992, Michigan's SRF operated as a direct loan program. Municipalities requested reimbursement for project costs and draws were processed directly upon federal and state funds as they were requested. Since 1992, however, the state has sold State Revolving Fund Revenue Bonds that are secured by a reserve drawn directly from federal and state funds. The federal and state funds act as collateral for the bond. Bond issuance costs are covered by the bonds sold and, thus, are not identified as direct administrative expenses of the SRF. These bond issuance costs have historically approximated one percent of the total bond issue.

It is from these bond issues that reimbursements are drawn for the project costs of local units of government. Concurrently, the EPA and state funds (both required match contributions and "revolving" fund assets) are deposited into the debt service reserve accounts that provide coverage for the revenue bonds. State funds can include general fund or state match revenue bonds.

Michigan has requested and received a significant amount of federal capitalization grants from the EPA since FY 1989. The federal contribution is \$1.1 billion to date. These funds matched by a required 20 percent contribution from state sources (\$228 million); have created the capital pool from which the low-interest loans can be made.

III. STRUCTURE OF THE SWQIF

The SWQIF was created by the passage of Proposal 2 by Michigan voters in November 2002. The implementation of the fund is codified as Part 52, 1994 PA 451, of the Natural Resources and Environmental Protection Act, as amended (NREPA). The SWQIF is a low interest revolving loan program that allows qualified municipalities to access financing for the construction of needed water pollution control facilities that cannot qualify for SRF assistance. Two types of projects can be financed under the SWQIF, (1) the on site upgrade/replacement of septic systems, and (2) the removal of ground water or storm water from sewer leads. Capital for the SWQIF is provided solely by the state of Michigan. October 1, 2003, began the first fiscal year of SWQIF financing for projects.

The structure of the SWQIF is very similar to the SRF and utilizes the same project planning, application, and review/approval process. Like the SRF, the SWQIF can operate

as a direct loan program or can provide assistance through the sale of leveraged revenue bonds.

IV. ADVANTAGES OF THE SRF AND SWQIF

The primary advantage of the SRF and the SWQIF to Michigan municipalities is the ability to borrow funds below the market rate. The following table shows the interest rate history of the SRF program.

<u>Fiscal Year</u>	<u>Interest Rate</u>
1989-1994	2.000%
1995-1998	2.250%
1999-2003	2.500%
2004	2.125%
2005-2007	1.625%
2008	2.500%

Since the SRF's inception, 30-year tax exempt fixed interest rates have ranged from approximately 5 to 8 percent. The relative stability of the SRF has allowed communities to more adequately plan without factoring in major market rate adjustments.

The interest rate for SRF and SWQIF municipal borrowers in FY 2009 is 2.5 percent, as determined by the DEQ director. The interest rate decisions are based on demand, market conditions, program costs, and future project needs.

Apart from the low interest rate, municipalities also benefit from the SRF and SWQIF in that they can finance all eligible water pollution control costs. Municipalities often do not have to seek other sources or enter the market to obtain local share financing. Everything is handled by this "one-stop shopping" concept. The amount of time it takes to commence construction is greatly reduced. This streamlined financing approach has resulted in lower bid costs because of the tighter timeframe. A streamlined approach has removed the unexpected elements that occurred when communities would obtain a grant and then have to secure financing for the local share.

The SRF can also be used to fund qualified NPS projects. The DEQ director annually allocates funds between traditional point source projects and the NPS projects. At least 2 percent of available SRF lending capacity will be made available to NPS projects that are consistent with Section 319 of the Federal Clean Water Act. There are four NPS projects seeking SRF assistance in FY 2009.

V. PROJECT PRIORITY

The NREPA requires the SRF and SWQIF to offer assistance in priority order from the state's annual Project Priority Lists (PPLs). The criteria used to prioritize the projects are contained in the NREPA, with details set forth in administrative rules (R323.951 to R323.965).

This final FY 2009 IUP, as well as the PPLs for the SRF and the SWQIF, include projects seeking Orders of Approval (the state's binding commitment) between October 1, 2008, and September 30, 2009. On or shortly after the beginning of the FY 2009, letters will be sent to those communities on the PPL for the SRF and the SWQIF to identify the fundable

and contingency projects. Communities with projects in the fundable range must negotiate a milestone schedule with the RLOCS project manager assigned to their project.

Historically, many projects in the contingency range of the PPL have been funded when others in the fundable range fail to satisfactorily meet program requirements in a timely manner. Therefore, it is imperative that municipal officials work closely with the DEQ and the Authority to ensure that no opportunity for funding is lost.

NOTE: There is no actual or implied guarantee that inclusion on the PPL or the IUP will constitute a commitment of financial assistance from the SRF or SWQIF. All program requirements must be satisfied before a binding commitment will be offered and a loan closed.

VI. LONG-TERM GOALS

Michigan's SRF and SWQIF are funding sources used to protect and preserve the water resources within the state's boundaries. As more attention is given to water pollution abatement efforts within specific watersheds, the DEQ will continue to work toward establishing tighter integration of the federal/state/local partnership. This includes efforts to satisfy EPA that the pace of Michigan's SRF is satisfactory.

The DEQ has expressed its willingness to work together with various federal and state agencies, such as United States Rural Development and the Michigan Department of Labor and Economic Growth, so that our agencies may collectively fund projects and maximize use of our capital pool to protect Michigan water resources.

Such protection of the state's waters will ultimately benefit everyone. Industry, tourism, the economy, and the day-to-day quality of life are strengthened when our most valuable natural resource is preserved for our use and enjoyment. This includes improvement of existing surface waters that suffer impairment, protection of groundwater resources from improperly treated discharges, reduction of harmful discharges from sanitary and combined sewer overflows, and the protection of aquatic ecosystems that cannot thrive in conditions of degraded water quality. To this end, long-term goals for Michigan's SRF and SWQIF are:

- A. To achieve and maintain statewide compliance with all applicable state and federal laws, rules, and standards.
- B. To protect the public health and environmental quality of our state.
- C. To further integrate principles of watershed management and water quality restoration within urban areas, as well as out-state areas.
- D. To secure Michigan's full share of federal funding available under Title VI of the Federal Water Pollution Control Act. To expeditiously obligate the federal funds, along with the state contributions for the construction of water pollution control projects that meet state and federal requirements.
- E. To maximize the volume of annual lending capabilities while maintaining stable/predictable terms to the maximum extent possible.

- F. To maintain strategies within the SRF and SWQIF to assist smaller, hardship communities in meeting water quality standards.

VII. SHORT-TERM GOALS

In order to accomplish the long-term goals, we must also focus on more immediate objectives. Therefore, our short-term goals for FY 2009 are:

- A. To fund those projects identified in the PPL for the SRF and the SWQIF that are determined to be in the fundable range, enabling municipalities to proceed with construction as adopted in their project plans.
- B. Work with other agencies and offices in developing integrated approaches in watershed management efforts.
- C. Coordinate disbursement practices with the DEQ's Financial and Business Services Division to ensure accurate reporting of program information for administrative/project expenditures.
- D. Increase awareness about the SWQIF and the SRF.
- E. Identify and integrate, wherever possible, outreach efforts focused on pollution prevention activities.
- F. To ensure that funded projects have reviewed and considered the security needs of the wastewater system.
- G. Identify and report project outcome by participating in the EPA/Association of State and Interstate Water Pollution Control Administrators (ASIWPCA) Environmental Benefits data collection effort.

VIII. ALLOCATION OF FUNDS FOR SRF

With Michigan's decision to utilize a leveraged SRF bond program, the establishment of a fundable range for any given fiscal year entails a series of steps that culminate in a determination of how much leveraged borrowing fund resources can support. Using a series of interest rate assumptions (SRF loan rate, return on investment rates, and revenue bond rate) the process for FY 2009 is outlined on the following page:

- 1. The DEQ reviewed the total amount of loans committed through September 30, 2008, and other draw amounts that affect the SRF.

Total loan commitments through 9/30/08	\$3,192,630,000
Less reduction in loans for admin. complete projects	(\$ 39,079,241)
Less direct loan draws to date	(\$ 170,382,406)
Less total revenue bonds issued to date	(\$2,361,758,269)
Additional revenue bond amount needed to service loans through FY 2009	\$ 621,410,084

2. To establish an estimate of reserve fund capabilities, the DEQ assumed that the capitalization grant would remain constant for the next three years (for planning purposes only). Using the FY 2008 appropriation amount of \$689 million, approximately \$29 million in capitalization funds from the EPA would be available each year from FY 2009 through FY 2011. It was assumed that additional state match contribution from the general fund would not be available, necessitating the generation of state match needs from within the fund.
3. The DEQ then looked at how much the SRF could support in leveraged borrowing using a five-year forecast at varying capitalization levels and interest rates. These analyses indicate that the DEQ can leverage approximately \$500 million each year for five years. The leveraged capacity estimate assumes a Proposal 2 capitalization amount of \$180 million per year, the maximum allowed by law, which increases our lending capacity.

The total amount of projects seeking SRF loans in FY 2009 is estimated at over \$1.9 billion (amount taken from the SRF final PPL). This includes, \$8,750,000 in NPS projects seeking assistance. The fundable range for FY 2009 will be \$579,000,000.

IX. SRF PROGRAM ASSETS

The DEQ plans to issue a new bond in November 2008. The DEQ and the Authority review the benefits of refunding previous bond issues each time a bond sale is anticipated. Currently, it has not been determined if any bonds will be refunded during FY 2009.

The following chart provides the SRF program assets prior to the start of FY 2009. Funds drawn from leveraged bond issues will be used to pay program expenses and make loans to communities. Reserve account balances will be retained to use for future leveraging upon release.

Capitalization Grant Amount (to be pledged to bond issue)	\$ 29,284,477
Direct Loan Repayment Balance (as of September 2008)	\$ 158,200,000
Released Account Balance (as of September 2008)	\$ 188,116,965
2007 Leveraged Bond Issue Balance (as of 10/1/08)	\$ 87,610,620

X. ALLOCATION OF FUNDS FOR SWQIF

As additional projects apply for SWQIF loans, the SWQIF can be established as a leveraged program. Using a series of interest rate assumptions (project demand, loan rate, return on investment rates, and revenue bond rate), the establishment of a fundable range can be completed. The total amount projected to receive SWQIF funds in FY 2009 is \$4,050,000. With the funds currently available, the SWQIF fundable range will extend through the entire PPL in FY 2009.

XI. ASSURANCES

The final guidelines from the EPA set forth provisions that the state must provide certain assurances in order to qualify for capitalization grant funding. Such assurances are incorporated into the Operating Agreement and are included here by reference.

XII. CRITERIA AND METHOD FOR DISTRIBUTION OF FUNDS

The state of Michigan will provide financial assistance from the SRF and the SWQIF to municipalities in the relative order that they appear on the PPLs developed for the fiscal year covered by this IUP. It is probable, however, that lower-ranked communities will receive money sooner if higher-ranked communities are not ready to proceed.

As a result of the DEQ's review, 64 SRF projects totaling \$651,185,000 have expressed their intent to proceed in FY 2009 and are included on the final FY 2009 SRF PPL. Staff also identified 13 projects and/or segments equaling \$1,229,170,000 that will be considered for funding in the future. There are 5 NPS projects on the final FY 2009 NPS PPL totaling \$10,110,000.

Thus, 72 different projects totaling \$1.9 billion are identified on the SRF PPL, along with a brief description, their total priority points, population to be served, targeted binding commitment date, and targeted binding commitment amount. The attached Key to Project Priority List Headings identifies the project priority categories in which each project received points on the SRF and SWQIF PPLs. The Scoring Detail is included for the NPS PPL.

For the SWQIF, there are three projects totaling \$4,050,000 that have expressed intent to proceed in FY 2009 and appear on the final FY 2009 SWQIF PPL.

The final FY 2009 PPLs for the SRF and the SWQIF are included as part of the IUP process, and will be presented as part of the public hearing notification package. Additional copies of the PPLs are available from the RLOCS.

Section 5309 of the NREPA permits the DEQ to limit funding in certain circumstances to maximize funds and achieve greater environmental gains. It reads:

"To ensure that a disproportionate share of available funds for a given fiscal year is not committed to a single sewage treatment work project or storm water project, the department may segment a sewage treatment works project if either of the following criteria is present:

(a) The cost of the proposed project is more than 30 percent of the available funds.

(b) Upon application of a municipality, the department has approved a municipality's application for segmenting a project."

The DEQ has implemented these provisions as shown on the final SRF PPL.

Financial assistance to municipalities during FY 2009 will consist solely of loans. There will be no guarantees of indebtedness.

XIII. PUBLIC REVIEW AND COMMENT

In order to satisfy public participation requirements, the DEQ held a public hearing on the SRF and SWQIF IUP and PPLs (including the NPS PPL) on September 24, 2008. The hearing was announced in newspapers throughout the state, published in the DEQ Calendar of Events, individually noticed to each municipality on the proposed final FY 2009 PPLs along with their consulting engineer, and sent to interested parties.

Items to be addressed in the public hearing include Michigan's final PPLs for the SRF, and the SWQIF, this final IUP, priority point assignments, planned funding schedules, and proposed binding commitment amounts for projects, which might be assisted with SRF or SWQIF moneys during FY 2009. This hearing provides an opportunity for municipalities and other interested parties to comment and request changes to their project's ranking criteria.

Questions about the public hearing, the final PPLs, or this final IUP may be directed to:

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XIV. ORIGINATION OF DOCUMENTS

The Chief of the Revolving Loan and Operator Certification Section of the DEQ is responsible for issuing the IUP.

Fiscal Year 2009 Project Priority List By Rank

Rank	Project Number	Project Name and Description			Water Quality Severity Pts						Fal OSSS	Sptg Rec	Enf Pts	Population	Pop Pts	Exist. Disch	Rec Waters	Dil Ratio	Rat Pts	Tot Pts	Bind. Com Date	Bind. Com Amount	
					DO	NUT	TOX	MICR	GWD	Tot													
PROJECTS WITH PRIOR YEAR SEGMENTS																							
1	5304-02	Muskegon Co	Muskegon Co	Seg 2 - Swr Sys Impr (FM Repl)	3	0	0	27	0	30	0	0	300	109,153	95	27.05	1	>.6000	100	525	11/25/2008	\$21,400,000	
2	5300-02	Allegan	Allegan Co	WWTP Impr (financial seg)	0	0	0	0	0	0	0	100	0	5,092	75	0.75	410	0.0018	40	215	11/25/2008	\$1,600,000	
3	5319-02	Chelsea	Washtenaw Co	WWTP Upgrd/Expan (financial seg)	0	0	0	0	0	0	0	0	0	5,001	75	0.79	1.9	0.4158	85	160	11/25/2008	\$750,000	
4	5278-02	Monroe Co	Monroe	WWTP Upgrd (financial seg)	0	0	0	0	0	0	0	0	0	49,600	90	8.02	996	0.0081	55	145	11/25/2008	\$3,000,000	
PROJECTS WITHOUT PRIOR YEAR SEGMENTS																							
5	5175-07	Detroit	Wayne Co	Seg 7 CSO; Okwd Swrs (PCS-79)	100	100	0	27	0	227	0	0	300	3,272,047	100	18	20	>.6000	100	727	11/25/2008	\$29,080,000	
5	5175-08	Detroit	Wayne Co	Seg 8 CSO; Okwd Swrs (PCS-80&	100	100	0	27	0	227	0	0	300	3,272,047	100	18	20	>.6000	100	727	6/5/2009	\$45,500,000	
5	5175-11	Detroit	Wayne Co	Seg 10 CSO; URT PC-764 (2)	100	100	0	27	0	227	0	0	300	3,272,047	100	18	20	>.6000	100	727	11/25/2008	\$98,890,000	
5	5175-99	Detroit	Wayne Co	CSO; URT/Okwd Swrs Future Seg	100	100	0	27	0	227	0	0	300	3,272,047	100	18	20	>.6000	100	727	Future	\$671,735,000	
6	5207-06	Dearborn	Wayne Co	Seg 6 CSO; Phase B Tr Shaft 2	52	42	0	27	0	121	0	0	300	60,730	95	3.11	3.5	>.6000	100	616	3/13/2009	\$65,000,000	
6	5207-07	Dearborn	Wayne Co	Seg 7 CSO; Phase B Tr Shaft 1&5	52	42	0	27	0	121	0	0	300	60,730	95	3.11	3.5	>.6000	100	616	8/28/2009	\$55,000,000	
7	5005-22	Lansing	Ingham Co	Seg 22 CSO; Swr Sep, Phase V-1	7	100	0	37	0	144	0	0	300	62,301	95	1.268	48	0.0264	70	609	3/13/2009	\$25,570,000	
7	5005-99	Lansing	Ingham Co	CSO: Swr Sep - Future Segs	7	100	0	37	0	144	0	0	300	62,301	95	1.268	48	0.0264	70	609	Future	\$231,825,000	
8	5006-16	Port Huron	St Clair Co	Seg 16 CSO; Swr Sep (21st-Ph 1)	0	30	0	27	0	57	0	0	300	31,725	90	2.67	30	0.089	85	532	3/13/2009	\$7,105,000	
8	5006-99	Port Huron	St Clair Co	CSO: Swr Sep Future Segs	0	30	0	27	0	57	0	0	300	31,725	90	2.67	30	0.089	85	532	Future	\$11,130,000	
9	5302-01	Detroit	Wayne Co	Seg 1; Mod DRO2 PC- 771(1)	0	0	0	27	0	27	0	0	300	3,272,047	100	273	66	>.6000	100	527	11/25/2008	\$108,100,000	
9	5302-02	Detroit	Wayne Co	Seg 2; Mod DRO2 PC- 771(2)	0	0	0	27	0	27	0	0	300	3,272,047	100	273	66	>.6000	100	527	Future	\$216,240,000	
10	5346-01	Fraser	Macomb	SSO: Relief Swr	5	0	0	27	0	32	0	0	300	14,950	85	0.124	0	>.6000	100	517	3/13/2009	\$12,950,000	
11	5247-01	Allen Park	Wayne Co	SSO: Relief Swr	0	0	0	0	0	0	0	0	300	27,680	90	0.8	1.1	>.6000	100	490	8/28/2009	\$19,500,000	
12	5345-01	Center Line	Macomb	SSO: Outlet Swr Imp; Swr Rehab	0	0	0	27	0	27	0	0	300	8,468	80	0.009	2.9	0.0031	55	462	3/13/2009	\$8,200,000	
13	5322-01	St Joseph	Berrien Co	CSO; Swr Sep	0	0	0	27	0	27	0	0	300	7,400	80	0.1	470	0.0002	40	447	8/28/2009	\$1,200,000	
13	5322-99	St Joseph	Berrien Co	CSO: Swr Sep-Future Seg	0	0	0	27	0	27	0	0	300	7,400	80	0.1	470	0.0002	40	447	Future	\$820,000	
14	5307-01	Howard City	Montcalm Co	WWTP/PS Upgrd; Swr Repl;Outfl	0	0	0	0	0	0	0	0	300	1,810	60	0.4	1.1	0.3636	85	445	6/5/2009	\$2,180,000	
15	5350-01	Wayne Co	NHV/RV	Swr Rehab	0	0	0	0	0	0	0	0	300	615,281	100	57.3	130000	0.0004	40	440	Future	\$17,775,000	
16	5290-01	Niles	Berrien Co	WWTP Upgrd	0	0	0	0	0	0	0	0	300	17,203	85	2.29	960	0.0024	55	440	3/13/2009	\$10,940,000	
17	5291-01	Dexter	Washtenaw Co	EQ Basin; Swr Rehab	0	0	0	0	0	0	0	0	300	2,338	65	0.304	15	0.0203	70	435	8/28/2009	\$3,545,000	
18	5129-99	Sault Ste Marie	Chippewa Co	CSO; Sewer Sep - Future Segs	0	1	0	27	0	28	0	0	300	9,323	80	0.043	78000	<.0002	25	433	Future	\$8,000,000	
19	5318-01	Bingham Twp	Clinton Co	WWTP Impr	0	0	0	0	0	0	0	0	300	724	45	0.052	9999999	<.0002	25	370	6/5/2009	\$1,500,000	
20	5316-01	Solon Twp	Leelanau Co	New WWTP/CS (Cedar)	0	0	0	0	75	75	100	0	0	135	30	0.018	9999999	<.0002	25	230	8/28/2009	\$1,340,000	
21	5352-01	Branch Co	Coldwater	WWTP Upgrd	0	0	33	0	0	33	0	0	0	13,091	85	2.76	2.1	>.6000	100	218	6/5/2009	\$2,080,000	
22	5335-01	YCUA	Washtenaw Co	PS Upgrd (Willow Run)	0	0	0	0	0	0	0	0	0	76,851	95	18.9	0.2	>.6000	100	195	6/5/2009	\$2,640,000	
23	5334-01	YCUA	Washtenaw Co	PS Upgrd (Martz)	0	0	0	0	0	0	0	0	0	76,851	95	18.9	0.2	>.6000	100	195	6/5/2009	\$2,450,000	
24	5336-01	YCUA	Washtenaw Co	PS Upgrd/WWTP Impr	0	0	0	0	0	0	0	0	0	76,851	95	18.9	0.2	>.6000	100	195	Future	\$7,440,000	
25	5333-01	YCUA	Washtenaw Co	WWTP - Biofilter	0	0	0	0	0	0	0	0	0	76,851	95	18.9	0.2	>.6000	100	195	8/28/2009	\$4,605,000	
26	5323-01	Branch Co	Coldwater	Swr Repl	0	0	0	0	0	0	0	0	0	13,091	85	2.76	2.1	>.6000	100	185	6/5/2009	\$2,470,000	
27	5256-01	Fenton	Genesee Co	Sewer Rehab, Upgrd PS	0	0	0	0	0	0	0	0	0	9,100	80	3.57	5.5	>.6000	100	180	6/5/2009	\$2,750,000	
28	5310-01	Allegan Twp	Allegan Co	New CS (Miner Lake)	0	0	0	0	0	0	100	0	0	660	40	0.037	410	<.0002	25	165	8/28/2009	\$5,065,000	
29	5328-01	Buchanan	Berrien Co	WWTP/PS Upgrd; Swr/Outfall Reh	0	0	0	0	0	0	0	0	0	4,681	75	1	9.3	0.1075	85	160	6/5/2009	\$1,990,000	

Rank	Project Number	Project Name and Description			Water Quality Severity Pts					Fal Osss	Sptg Rec	Enf Pts	Population	Pop Pts	Exist. Disch	Rec Waters	Dil Ratio	Rat Pts	Tot Pts	Bind. Com Date	Bind. Com Amount
					DO	NUT	TOX	MICR	GWD	Tot											
30	5217-08	Wayne Co	Downriver WW	WWTP Impr-Seg 8-Influent PS	0	0	0	0	0	0	0	0	283,590	100	61.05	29200	0.0021	55	155	8/28/2009	\$1,150,000
30	5217-09	Wayne Co	Downriver WW	WWTP Impr-Seg 9-Chem Feed	0	0	0	0	0	0	0	0	283,590	100	61.05	29200	0.0021	55	155	8/28/2009	\$785,000
30	5217-10	Wayne Co	Downriver WW	WWTP Impr-Seg 10-Scum Fac	0	0	0	0	0	0	0	0	283,590	100	61.05	29200	0.0021	55	155	8/28/2009	\$2,340,000
30	5217-11	Wayne Co	Downriver WW	WWTP Impr-Seg 11-Aeration Train	0	0	0	0	0	0	0	0	283,590	100	61.05	29200	0.0021	55	155	8/28/2009	\$2,895,000
30	5217-12	Wayne Co	Downriver WW	WWTP Impr-Seg 12-Prim Tank Ga	0	0	0	0	0	0	0	0	283,590	100	61.05	29200	0.0021	55	155	8/28/2009	\$2,635,000
30	5217-13	Wayne Co	Downriver WW	WWTP Impr-Seg 13-Misc.Bldg (1)	0	0	0	0	0	0	0	0	283,590	100	61.05	29200	0.0021	55	155	Future	\$695,000
30	5217-14	Wayne Co	Downriver WW	WWTP Impr-Seg 14-Elec (1)	0	0	0	0	0	0	0	0	283,590	100	61.05	29200	0.0021	55	155	8/28/2009	\$1,820,000
30	5217-99	Wayne Co	Downriver WW	Downriver WWTP Impr Future Seg	0	0	0	0	0	0	0	0	283,590	100	61.05	29200	0.0022	55	155	Future	\$60,475,000
31	5347-01	Scio Twp	Washtenaw Co	Swr Rehab; PS Upgrd	0	0	0	0	0	0	0	0	16,477	85	1.557	88	0.0177	70	155	6/5/2009	\$5,305,000
32	5340-01	Garfield Twp	Gr Traverse Co	Swr Sys Impr	0	0	0	0	0	0	0	0	13,840	85	4.27	180	0.0237	70	155	3/13/2009	\$1,100,000
33	5330-01	Benton Harbor	Berrien Co	Swr Sys Impr	0	0	0	0	0	0	0	0	11,162	85	8.92	890	0.0100	70	155	Future	\$735,000
34	5331-01	Benton Harbor	Berrien Co	Swr Sys/PS Impr	0	0	0	0	0	0	0	0	11,162	85	8.92	890	0.0100	70	155	Future	\$940,000
35	5329-01	Benton Harbor	Berrien Co	Swr Sys Impr	0	0	0	0	0	0	0	0	11,162	85	8.92	890	0.0100	70	155	3/13/2009	\$5,820,000
36	5324-01	L'Anse	Baraga Co	WWTP Upgrd; PS Impr; Swr Reha	0	0	0	0	0	0	0	0	2,674	70	0.39	1.1	0.3545	85	155	6/5/2009	\$1,180,000
37	5311-01	Sheridan Twp	Newago Co	Swr Ext (Fremont Lake)	0	0	0	0	0	0	100	0	287	30	0.02	9999999	<.0002	25	155	8/28/2009	\$2,600,000
38	5308-01	Hamburg Twp	Livingston Co	Repl Grinder Pmps (Ore Lake)	0	0	0	27	0	27	0	0	853	45	0.068	1.7	0.04	70	142	6/5/2009	\$2,205,000
39	5309-01	Iron Mountain	Dickinson Co	PS Repl/Impr; Swr Repl	0	0	0	0	0	0	0	0	13,597	85	1.78	770	0.0023	55	140	6/5/2009	\$970,000
40	5264-01	Big Rapids	Mecosta Co	WWTP Upgrd; Swr Rehab/Repl	0	0	0	0	0	0	0	0	12,344	85	1.07	400	0.0028	55	140	8/28/2009	\$9,500,000
41	5326-01	Iron River	Iron Co	I/I Removal; Lift Station Impr	0	0	0	0	0	0	0	0	3,386	70	0.762	43	0.0177	70	140	6/5/2009	\$2,255,000
42	5305-01	West Branch	Ogemaw Co	WWTP Impr; Swr Rehab	0	0	0	0	0	0	0	0	2,743	70	0.71	17	0.0418	70	140	8/28/2009	\$15,250,000
43	5299-01	Maybee	Monroe Co	Lagoon Impr; MH Rehab	0	0	0	0	0	0	0	0	505	40	0.7	0.2	>.6000	100	140	6/5/2009	\$155,000
44	5325-01	Grand Ledge	Eaton Co	SSO: WWTP/PS/Intcp Imp/EQ Bas	0	0	0	27	0	27	0	0	13,848	85	0.032	260	<.0002	25	137	6/5/2009	\$6,440,000
45	5313-01	Elba Twp	Lapeer Co	WWTP Impr	0	0	0	0	0	0	0	0	857	45	0.71	1.2	0.5916	85	130	3/13/2009	\$1,510,000
46	5343-01	Shelby Twp	Macomb Co	Swr Rehab	0	0	0	0	0	0	0	0	72,390	95	3.77	130000	<.0002	25	120	6/5/2009	\$2,535,000
47	5342-01	Orion Twp	Oakland Co	Swr Rehab	0	0	0	0	0	0	0	0	30,748	90	2.07	130000	<.0002	25	115	3/13/2009	\$1,640,000
48	5349-01	Ecorse Ck PAD	Dearborn Hts/T	Taylor Basin/Jackson PS Upgrade	0	0	0	0	0	0	0	0	30,603	90	10.06	130000	<.0002	25	115	8/28/2009	\$6,340,000
49	5341-01	Auburn Hills	Oakland Co	Swr Rehab	0	0	0	0	0	0	0	0	20,915	85	3.94	130000	<.0002	25	110	3/13/2009	\$2,130,000
50	5344-01	Huron Twp	Wayne Co	Swr Rehab	0	0	0	0	0	0	0	0	16,381	85	1.23	130000	<.0002	25	110	8/28/2009	\$370,000
51	5303-01	Marysville	St Clair Co	SCADA, Solids Hand Imps	0	0	0	0	0	0	0	0	10,248	85	2.27	26000	<.0002	25	110	8/28/2009	\$1,715,000
52	5168-01	Berrien Springs	Berrien Co	WWTP Repl (refinance)	0	0	0	0	0	0	0	0	2,543	65	0.25	1080	0.0003	40	105	8/28/2009	\$7,000,000
53	5351-01	Grosse Pointe	Wayne Co	PS Upgrd	0	0	0	0	0	0	0	0	5,470	75	2.2	130000	<.0002	25	100	8/28/2009	\$770,000
54	5332-01	Crystal Falls	Iron Co	Lift Station/FM Repl	0	0	0	0	0	0	0	0	2,853	70	0.903	9999999	<.0002	25	95	6/5/2009	\$345,000
55	5292-01	St Ignace	Mackinac Co	Swr Sys Impr	0	0	0	0	0	0	0	0	2,678	70	0.716	9999999	<.0002	25	95	8/28/2009	\$1,395,000
56	5348-01	Zilwaukee	Saginaw Co	Swr Rehab	0	0	0	0	0	0	0	0	1,708	55	0.37	580	0.0006	40	95	6/5/2009	\$3,030,000
57	5253-01	Shelby	Oceana Co	WWTP Xpan/Upgrd (refinance)	0	0	0	0	0	0	0	0	1,942	60	0.53	9999999	<.0002	25	85	8/28/2009	\$2,850,000
72 Projects																					\$1,870,245,000

Fundable State Revolving Loan Fund Projects for Fiscal Year 2009 - By Category

	Secondary Treatment	Advanced Treatment	Infiltration/ Inflow	Sewer System Rehabilitation	New Collector Sewers	New Interceptors	CSO Correction	Storm Water Management	Non Point Source	
Project #	CatI	CatII	CatIIIA	CatIIIB	CatIVA	CatIVB	CatV	CatVI	CatVII	Totals
5005-22							25,570,000			25,570,000
5006-16							7,105,000			7,105,000
5168-01					6,666,667	333,333				7,000,000
5175-07							29,080,000			29,080,000
5175-08							45,500,000			45,500,000
5175-11							98,890,000			98,890,000
5207-06							65,000,000			65,000,000
5207-07							55,000,000			55,000,000
5217-08	1,150,000									1,150,000
5217-09	785,000									785,000
5217-10	2,340,000									2,340,000
5217-11	2,895,000									2,895,000
5217-12	2,635,000									2,635,000
5217-14	1,820,000									1,820,000
5247-01			2,829,834		16,670,166					19,500,000
5253-01	2,850,000									2,850,000
5256-01			592,118			2,157,882				2,750,000
5264-01	9,500,000									9,500,000
5278-02	3,000,000									3,000,000
5290-01	10,940,000									10,940,000
5291-01	2,545,000		1,000,000							3,545,000
5292-01				1,395,000						1,395,000
5295-01									300,000	300,000
5296-01									1,735,000	1,735,000
5299-01	113,737		41,263							155,000
5300-02	1,600,000									1,600,000
5302-01						108,100,000				108,100,000
5303-01	1,715,000									1,715,000
5304-02						21,400,000				21,400,000
5305-01	11,995,816		3,254,184							15,250,000
5307-01	1,970,000		210,000							2,180,000
5308-01				2,205,000						2,205,000
5309-01				970,000						970,000
5310-01					5,065,000					5,065,000

Fundable State Revolving Loan Fund Projects for Fiscal Year 2009 - By Category

	Secondary Treatment	Advanced Treatment	Infiltration/ Inflow	Sewer System Rehabilitation	New Collector Sewers	New Interceptors	CSO Correction	Storm Water Management	Non Point Source	
Project #	CatI	CatII	CatIIIA	CatIIIB	CatIVA	CatIVB	CatV	CatVI	CatVII	Totals
5311-01					2,600,000					2,600,000
5313-01	1,510,000									1,510,000
5316-01	549,681				790,319					1,340,000
5318-01						1,500,000				1,500,000
5319-02							750,000			750,000
5322-01			75,666				1,124,334			1,200,000
5323-01				2,470,000						2,470,000
5324-01	390,254		134,957	654,789						1,180,000
5325-01	5,480,136					959,864				6,440,000
5326-01			2,255,000							2,255,000
5328-01				1,990,000						1,990,000
5329-01				5,820,000						5,820,000
5332-01				345,000						345,000
5333-01				4,605,000						4,605,000
5334-01				2,450,000						2,450,000
5335-01				2,640,000						2,640,000
5337-01									2,300,000	2,300,000
5338-01									4,415,000	4,415,000
5340-01						1,100,000				1,100,000
5341-01			2,130,000							2,130,000
5342-01			1,640,000							1,640,000
5343-01			2,535,000							2,535,000
5344-01			370,000							370,000
5345-01			4,064,212	4,135,788						8,200,000
5346-01						12,950,000				12,950,000
5347-01			1,541,275	3,763,725						5,305,000
5348-01			3,030,000							3,030,000
5349-01				6,340,000						6,340,000
5351-01				770,000						770,000
5352-01	2,080,000									2,080,000
	67,864,624	-	25,703,509	40,554,302	31,792,152	148,501,079	328,019,334	-	8,750,000	651,185,000
# of projects	21	-	16	15	5	8	9	-	4	

Fiscal Year 2009 Project Priority List By Rank

Rank	Project Number	Project Name and Description			Water Quality Severity Pts					Fal OSSS	Sptg Rec	Enf Pts	Exist. Disch	Rec Waters	Dil Ratio	Rat Pts	Tot Pts	Bind. Com Date	Bind. Com Amount
					DO	NUT	TOX	MICR	GWD										
PROJECTS WITHOUT PRIOR YEAR SEGMENTS																			
1	3010-01	Ann Arbor	Washtenaw Co	FDD	0	0	0	0	0	0	0	0	17.56	78	0.2251	85	85	3/13/2009	\$1,215,000
1	3010-99	Ann Arbor	Washtenaw Co	FDD	0	0	0	0	0	0	0	0	17.56	78	0.2251	85	85	Future	\$5,615,000
2	3009-01	Zilwaukee	Saginaw Co	FDD	0	0	0	0	0	0	0	0	0.37	580	0.0006	40	40	6/5/2009	\$1,645,000
3	3008-01	Benzonia/Lake	Benzie Co	Repair/repl OSSS	0	0	0	0	0	0	0	0	0.014	9999999	<.0002	25	25	8/28/2009	\$1,190,000
4	Projects																		\$9,665,000



MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY

Non Point Source Project Priority List (PPL)

NPS

Fiscal Year 2009 PPL by Rank

PPL Rank	Project #	Loanee	Location	PPL Description	Water Quality Points					Enf Pts	High Qual	Ongoing Int.	Use Value	Local Part	Total Pts.	Bind. Comm Date	Bind Comm Amount
					Microorganisms	Phosphorus	Nitrogen	TSS	Total Water Quality Points								
1	5338-01	Allen's Creek	Ann Arbor	Storm Water BMPs (Pioneer H	0	0	0	0	0		0	100	200	200	500	6/5/2009	\$4,415,000.00
2	5337-01	Allen's Creek	Ann Arbor	Storm Water BMPs (Stadium/F	0	0	0	0	0		0	100	200	200	500	3/13/2009	\$2,300,000.00
3	5339-01	Allen's Creek	Ann Arbor	Storm Water BMPs (Future)	0	0	0	0	0		0	100	200	0	300	Future	\$1,360,000.00
4	5296-01	Auburn Hills	Oakland Co	NPS- Galloway Cr	0	0	0	0	0		0	100	0	200	300	6/5/2009	\$1,735,000.00
5	5295-01	Auburn Hills	Oakland Co	NPS; 4 city owned properties	0	0	0	0	0		0	100	0	200	300	6/5/2009	\$300,000.00
5 Total # of Projects																	\$10,110,000.00

State Revolving Fund – NonPoint Source Ranking Criteria

NonPoint Source projects are ranked on the Project Priority List (PPL) in descending order based on the following criteria. The parenthetical information is the notation that appears on the PPL.

a) Enforcement (Enf. Pts.): *If the proposed nonpoint source project is necessary to comply with an order, permit or other document issued by the Michigan Department of Environmental Quality(MDEQ) director or water resources commission or entered as part of an action brought by the MDEQ against a municipality, 200 points may be assigned.*

If the applicant has been issued an administrative consent order, a National Pollutant Discharge Elimination System (NPDES) permit which requires construction of the project, or other similar document by the department, the proposed project may be awarded 200 points. If none of these actions have been taken, no points will be awarded.

b) *If the proposed project is a necessary component of a comprehensive plan developed pursuant to the provisions of R 323.1064, 100 points may be assigned.*

No points will be assigned based upon this subrule. This rule reference is no longer a viable reference for nonpoint source programs. Rule 323.1064 was not superceded, but is no longer viable.

c) Water Quality (Water Quality Points): *If the project will address violations of water quality standards in the watershed or project area, points will be assigned based upon the severity of the receiving water impairment that the proposed project will abate. Each project may receive a score of between 1 and 100 for each standard violated based on the severity of the violation. Maximum of 400 points may be assigned for each project.*

Points will be assigned based on the estimated pre- and post-project levels of microorganisms, phosphorus, nitrogen and total suspended solids (TSS) in the waterbody primarily affected by the project.

d) High Quality (High Quality): *If the watershed contains high quality waters which must be maintained, 200 points may be assigned.*

Using high quality waters as defined in the administrative rules for the Clean Michigan Initiative-Clean Water Fund (R 324.8904, Rule 4, (a) (i-vii) as attached, 0 or 200 points will be assigned.

e) *High Public Use (Use Value): If the watershed has high public use value, 200 points may be assigned.*

High public use value of a watershed will be defined as watersheds containing two or more of the following:

- 1) **An existing city, county, village, state or federal parks or recreation areas dedicated for public use for swimming, fishing or boating, or**

- 2) An existing ground water source public drinking water supplier who has an MDEQ-approved wellhead protection program (WHP) and/or an existing surface water source public drinking water supplier who has submitted to MDEQ a source water assessment (SWA) report.
- 3) An existing State of Michigan Natural River designation and/or an existing Federal Wild & Scenic Rivers designation.

[The actual number of park/recreation sites, number of approved WHPs, and number of SWAs within the project's watershed will be totaled and used as a tie-breaker, if needed.]

f) Local Participation (Local Part.): *If there is high landowner or municipal willingness to participate in controlling nonpoint sources in the watershed or project area, 200 points may be assigned.*

High willingness to participate can only be demonstrated by the following: Letters of commitment from local agencies and/or landowners regarding their participation in specific nonpoint source control activities contained in the proposed project plan. General letters of support will not be considered a demonstration of participation.

g) Ongoing Initiatives (Ongoing Int.): *If there are ongoing local, federal, or state nonpoint source initiatives in the watershed or project area, 100 points may be assigned.*

A project may receive 100 points, if federal, state or local initiatives have been implemented voluntarily by the local unit of government having jurisdiction over the project. Qualifying ongoing initiatives must include the following:

- 1) An in-place, comprehensive zoning program which controls development through encouragement of low impact development, open space preservation, restrictive zoning in areas with steep slopes, near water bodies, or highly erodible soils.
- 2) A storm water utility within the local unit which has provides oversight, inspection and/or promotion of nonpoint source pollution prevention programs.
- 3) Successful and timely completion of nonpoint source control projects funded by state or federal grants or loans.
- 4) Implementation of a comprehensive community education and citizen involvement program. This program must be based on knowledge of the audience, careful preparation of the message, demonstration of successfully reaching the audience using a variety of tools, and finally obtain citizen involvement (as feedback, volunteer monitoring, etc) plan.

Note: The proposed project, by itself, will not qualify as an 'ongoing initiative'.